

**STATE OF INDIANA**  
**EXECUTIVE DEPARTMENT**  
**INDIANAPOLIS**

**EXECUTIVE ORDER: 13-20**

**FOR: PROMOTING JOB CREATION, ECONOMIC DEVELOPMENT, HOOSIER INGENUITY, AND THE PRINCIPLES OF FEDERALISM BY ESTABLISHING THE OFFICE OF STATE-BASED INITIATIVES**

TO ALL WHOM THESE PRESENTS MAY COME, GREETINGS.

**WHEREAS**, the United States Constitution, in part, frames our system of justice, ensures our national defense, and is the source of all government powers;

**WHEREAS**, the Bill of Rights limits governmental powers, and the Tenth Amendment specifically enumerates the principle of Federalism;

**WHEREAS**, by reserving broad powers to the states and their citizens, Federalism protects liberty, enhances accountability, and fosters innovation;

**WHEREAS**, the federal government has deviated from our founding federalist principles by taking unto itself various functions of government reserved to the states, imposing requirements on states that infringe upon state sovereignty, and reducing states to mere instrumentalities of federal power;

**WHEREAS**, federal funds often come with expensive, burdensome mandates and regulations that stifle ingenuity, cost Hoosier taxpayers, and hamstring Hoosier businesses; and

**WHEREAS**, the State of Indiana must take the lead in pushing back against federal mandates and regulations, preventing the undermining of state sovereignty, and solving problems locally in ways that will improve our business climate,

**NOW, THEREFORE, I, Michael R. Pence**, by virtue of the authority vested in me as Governor of the State of Indiana, do hereby order that:

1. The Office of State-Based Initiatives (OSBI) is hereby established. The OSBI replaces the Office of Federal Grants and Procurement (OFGP). Funding and other resources of the OFGP shall be transferred to the OSBI.
2. The OSBI, in coordination with executive branch state agencies, shall review the state's federal grant opportunities and subject each grant to a cost-benefit analysis that will measure the grant's fiscal and regulatory impact to determine whether or not to pursue the opportunity.
3. All state agencies shall receive approval from the OSBI prior to participating in any federal grant opportunities.
4. The OSBI shall recommend to the Governor proposals to reduce the costs of federal mandates and regulations, including not participating in federal programs when the costs outweigh the benefits to the state or citizens of Indiana.
5. In coordination with the OSBI, state agencies that receive federal funds shall develop a Block Grant Contingency Plan that shall do at least the following:
  - a. evaluate whether and how Indiana could use federal funds more effectively without federal constraints, including opportunities for cross-agency collaboration;
  - b. identify specific action items that are significant in solving issues caused by federal mandates and regulations;
  - c. be submitted to the OSBI by November 1, 2013, and every two years thereafter; and
  - d. be updated regularly, with any update being provided to the OSBI.
6. By January 1 of each year, the OSBI shall publish an annual report that includes the following:
  - a. State of Indiana Block Grant Contingency Plan, which incorporates each agency's Block Grant Contingency Plan, and OSBI findings. The State Plan shall include, without limitation, options for

coordination among state agencies to address issues caused by federal mandates and regulations; and  
b. a study of the present and projected impact of federal mandates and regulations on Indiana by studying data, surveying businesses and talking to Hoosiers.

7. The OSBI shall submit all published reports and findings to the Indiana Congressional delegation, the Governor, and the Indiana General Assembly.

8. The OSBI shall reside within the Indiana Office of Management and Budget.

9. In accordance with federal law, the OSBI shall serve as the state's single point of contact to review and coordinate proposed federal financial assistance and direct federal development.

10. Pursuant to Ind. Code § 4-1-7.1-3, the OFGP is expired, and Executive Order 05-08, which designated the OFGP as the state clearinghouse for seeking federal grants, is hereby superseded.

**IN TESTIMONY WHEREOF, I, Michael R. Pence, have hereunto set my hand and caused to be affixed the Great Seal of the State of Indiana on this 30th day of July 2013.**

Michael R. Pence  
Governor of Indiana

SEAL

ATTEST: Connie Lawson  
Secretary of State

*Posted: 08/14/2013 by Legislative Services Agency*  
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